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ABSTRACT

An examination of the different cultural traits, values, and business strategies of Americans and Japanese through simulation and role-playing is presented. A Japanese player and an American player, when presented with scripts, have a business conversation about a hypothetical business venture, and then discuss the interaction in interviews. The venture concerns potential marketing of an American-developed paint, and each was approaching the discussion with a different objective. In the interviews, each player was asked questions about his counterpart's protocol, nonverbal behavior, and language features. The resulting answers reveal very different perceptions of the interaction and the approaches taken by the participants and underscores the role of cultural traits and values in business communication. (MSE)

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HOW CULTURAL TRAITS INFLUENCE THE WAY JAPANESE AND AMERICANS INTERACT WITH EACH OTHER IN A BUSINESS SETTING

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TABLE OF CONTENTS

Introduction		1
Method of the Research Project		2
I.	A Set of Scripts of Role Players	3
	A. New York and Company	3
	B. Osaka Industry	6
II.	Role Playing and Interactions	10
III.	A List of Questions	15
IV.	Interviews with the Role Players	17
V.	Summary of the Interviews	29
Conclusion		33

Introduction

The purpose of the research project is to look into some cultural traits, values and business strategies of Americans and Japanese. This is done through analysis of some business conversations in a hypothetical situations. Although the case in point is hypothetical, it is hoped that some contents of the research project will be useful for real business negotiations for business organizations of the two countries.

Furthermore, the research project can be used as a self-learning kit for business people. The research project not only exhibits cultural traits in the negotiations and answers specific questions; but also reveals how each side perceives the other during the negotiations.

By demonstrating the cultural background, values and traits of both cultures, the research project will be helpful for the Americans and the Japanese who would like some insights into business negotiations dealing with their counterparts. In order for the American business people to conduct successful business negotiations with the Japanese, it is helpful if they understand the Japanese, and the same applies to the Japanese.

Method of Research Project

A set of scripts of company information had been given to each role player before they interacted with each other.

John Smith,(by Mr. Parker) of New York and Company, is quite aware of the company's situations and plans to go to Japan to discuss the possibility of doing business with Ichiro Nakagawa (played by Mr. Shimura).

Ichiro Nakagawa of Osaka Industry awaits Smith in his office. The role playing and interactions take place. Later, interviews are conducted with the role players based on the questions that the author has provided.

Upon the completion of the interviews, a summary of major characteristics -- etiquette, introduction, non-verbal communication behaviors and strategy are discussed.

A. BACKGROUND INFORMATION FOR THE AMERICAN

YOUR BACKGROUND

Your name is Mr. Smith. You are a 33-year old employee who works for New York and Company which specialies in manufacturing and selling paint. After graduating from MIM school, you have been specializing in domestic sales in the New Jersey and New York areas. Now it has been six years since you started working for the company and three (3) sales persons are working for you to cover the areas. Since the company has been expanding rapidly, you have been told by a vice-president, it might be possible to do business with a Japanese paint company.

NEW YORK AND COMPANY AND ITS HISTORY

New York and Company is a paint company and has a 20-year history. It was established in 1965. In those days, the company was mainly operated on a family scale and the market was limited to New Jersey, New York and Washington, D.C. Sales were mainly retail with a limited amount of wholesale. The company was a small one and did not place a great emphasis on industrial use.

In the first half of 1970s, when the first oil shock gave a great impact to the world economy, many companies in the U.S. went bankrupt. Because of the company's conservative strategy and their maintaining steady orders, the management is well established. In the past one and a half years, in addition to retail and a bit of wholesale, orders of paint for industrial use have been increasing. The reasons that the orders for industrial use have been increasing are as follows:

The company has been spending an enormous amount of capital for research and development. A project was to produce and manufacture the best paint available on the market, and the company finally developed the paint last year. Some of the application areas for the best paint are the following and the developed paint is called Super X:

(a) Super X is very strong against sun and moisture. Once you apply the paint, the paint will last at least 10 years and does not change color.

(b) The paint is in great demand for cars. In order to reduce traffic accidents on the East Coast, salt is poured on the streets when it snows. Also the humidity on the East Coast is generally very high. As a result, the paint on the bottom and lower portion of the doors has been coming off easily and the cars get rusty. However, the data indicate that this company's paint prevents cars from getting rusty for 10 years.

(c) Another area for the paint to be applied is on ships. A certain portion of a ship is always under the water and the paints that have been used for a long time did not prevent shellfish and seaweeds from attaching on the surface of the ship. This is one of the most important and crucial areas to be concerned with because it is very difficult to remove the shellfish and seaweeds under the water. It is also costly and inconvenient to clean the ship within a limited time.

Based on these reasons, demand for industrial use has been increasing. Up until last year, the company has been placing an emphasis on sales promotion and acquired on-going clients. The fact that the demand for industrial use is increasing is because clients have been converting to use your company's product for equipment, machines, cars, and ships.

Based on the data, executives of your company have been voicing the possibility of expanding business to Japan since the Japanese have been producing ships, cars, industrial machines and equipment in great number. In order to advance to Japan, some of the business possibilities are as follows:

1. A Joint Venture with a Japanese Company
2. A Wholly Owned Subsidiary
3. Franchise
4. Licensing
5. Going through a major Japanese Trading Company

These are possible, however, the majority of the executives felt that the best method would be to have a joint venture with a Japanese company based on the following reasons:

(1) A wholly owned subsidiary is too costly. The overhead costs will be approximately 10 million dollars and the complex Japanese distribution system makes it extremely difficult to penetrate the Japanese market.

(2) Franchising or licensing is a possibility. However, this may make it possible for the exact know-how of paint manufacturing information to leak out. Besides this, profits will not be as much as with other methods.

(3) Going through a trading company may not penetrate the Japanese market because your company is interested in manufacturing the product in Japan and cultivating a new market.

(4) For these reasons, the majority of the executives felt that a joint venture would be an ideal strategy for the expansion of business to Japan. After doing some research, you have found out that there are four major paint companies in Japan and their market shares over the past two years are as follows:

Names of Companies	Shares in 1983	Shares in 1984
1. Tokyo Industry	50%	48%
2. Osaka Industry	28	35
3. Kyoto Industry	12	9
4. Nagoya Industry	8	6
5. Others	2	2
Total:	100%	100%

After finding out the shares of the Japanese market, most of the executives of your company felt that, tentatively, a joint venture with Tokyo Industry was a best choice. However, most of the executives did not wish to limit their choice to only Tokyo Industry since the market share in 1984, Osaka Industry increased from 28% to 35%. You have been assigned by your vice-president to look into the possibility of doing business with Tokyo Industry and to find out more about Tokyo Industry.

Through your American client in New York, you had been introduced to Mr. Nakagawa, an employee of Osaka Industry, a competitor of Tokyo Industry. You had written to Mr. Nakagawa in Japan saying that you would be visiting his office and would talk about business. Naturally, your talking to Mr. Nakagawa was meant to acquire more information about Tokyo Industry and the paint industry in Japan as well as to find out about a possible venture with Osaka Industry.

You know the stakes are high for the following reasons:

(1) The more information you acquire about the paint industry in Japan as well as information on Tokyo Industry and Osaka Industry, the more beneficial it is going to be in determing a joint venture with either Tokyo Industry or Osaka Industry; however, you are also aware of the fact that most of the executives are inclined to do business with Tokyo Industry rather than Osaka Industry.

(2) If the joint venture succeeds your current position of district manager may change to vice-president of the joint venture. You have been waiting for an opportunity like that to come and it looks as though it may have come. Naturally, your salary will go up from the current $45,000 to $52,000 or $55,000.

IN JAPAN

Now you are in Japan, hoping you will be able to obtain as much as you anticipate, talking to Mr. Nakagawa, whom you were referred to by your client in New York.

Please use any strategy to talk to Mr. Nakagawa and try to obtain as much information as you can, so that you will be able to report it to your vice-president in the headquarters. Remember that the stakes are too high for you to miss the opportunity.

B. BACKGROUND INFORMATION FOR THE JAPANESE

Name: Ichiro Nakagawa
Age: 33 years old
Company: Osaka Industry which manufactures and sells paint
Working Years: 10 years

Personal Background

After working for the company for four years, you were sent to an MIM school in America in the form of training through the company and you graduated from the school. Previously, you used to work in the Osaka branch, but upon graduation, you were transferred to the Tokyo headquarters and now you work for the sales department.

Paint Shares in the Japanese Market

The following are the names of Japanese paint companies and their market shares in the Japanese market:

Names of companies	1983	1984
1. Tokyo Industry	50%	48%
2. Osaka Industry	28	35
3. Kyoto Industry	12	9
4. Nagoya Industry	8	6
5. Others	2	2
Total:	100%	100%

Background on Tokyo Industry

Tokyo Industry, having a long history, has established branch offices and liaison offices throughout Japan and has had many continued on-going clients for several decades. Because of this situation, Osaka Industry has been experiencing the difficulty of making an inroad into the territory of Tokyo Industry. The 1983 share of Osaka Industry was 28% and went up to 35% in 1984, but the major share of the Japanese market is still occupied by Tokyo Industry.

The increase of Osaka Industry's share in 1984 is due mainly to the fact that Osaka Industry acquired some shares of Kyoto Industry and Nagoya Industry.

Strategies of Osaka Industry

Looking at the overall strategies, the first strategy is that in order to be equal to or catch up with Tokyo Industry, a major emphasis is placed in the expansion of marketing. Because Tokyo Industry is particularly tied up with heavy industries such as the automobile, ship building and housing industries, Osaka Industry has found it difficult to penetrate these areas. Some major clients of Tokyo Industry are Toyota, Nissan, Nagasaki Shipbuilding, Yawata Steel, and Shin-Nittetsu Steel and the volume of orders is tremendous. Based on Osaka Industry's share of the Japanese market, the company has set up the following long term plan:

1. Expansion of demestic sales

To develop a new territory, particularly in the northern area of Japan such as Hokkaido, Aomori, Akita, etc. as well as the southern area like Kyushu is essential.

2. Relationships with clients

To continue to create much closer relationships with the existing clients and to increase the sales volume with the clients.

3. Introduction of a new product

Osaka Industry has been making special efforts to develop a special paint for 5 years. The paint is still in the experimental stage and has not been fully developed to sell on the market. It is estimated that at least one more year will be required for further research and completion of the finished product before selling it on the market.

Obviously all the executives and board members hope that the newly developed paint will be used as the major strategic approach for the expansion of the market share in the Japanese market and eventually the company will replace the currently existing products with the new product.

At this time, New York and Company, whose headquarters is located in New Jersey, has already gained a large market share in the U.S. after succeeding to develop a special paint called Super X, a year ago.

Because Super X is doing so well in the domestic market, New York and Company is considering expanding their market to overseas.

Needless to say, Osaka Industry continues to do research on the special paint which they have been developing for five years. However, considering the first strategy of the expansion of the demostic sales and second strategy of tightening the relationships with the existing clients, your section chief has mentioned that the introduction of Super X might be the best strategy to combine with the first and second plans, and the board members also seemed to agree with the opinions of the section chief.

Characteristics of Super X

(1) The paints that have been marketed are weak against the sun and fade and come off and are not durable. The Super X developed by New York and Company lasts ten years and the color does not fade after its application.

(2) Once, you apply the paint, it dries in ten minutes. It has high resistance against moisture and price wise, it is only between 10% to 15% more costly than the currently existing paint.

(3) On the East Coast of the U.S., it snows a lot in winter and snow has been causing traffic accidents. In order to prevent traffic accidents from occurring, salt is poured on the streets. Because of the salt and moisture, the paint of the lower portions of cars come off easily and get rusty. Available date indicate that after the application of Super X, the paint on such surfaces lasts ten years and is rust-free.

(4) In addition to cars, Super X can be applied to ships. The areas which are under the water often accumulate shellfish and seaweeds. It requires a substantial amount of money to remove them. However, once you apply Super X to the surface underneath the water, it lasts eight years and you do not need to repaint or remove shellfish and seaweeds.

Later Developments

While Osaka Industry has been thinking about these things, you received a letter from Mr. John Smith of New York and Company a month ago. The contents of the letter say that Mr. Smith will come to your office tomorrow through the introduction of the president of Yamaguchi Industry, a subcontractor of Osaka Industry. You have been thinking about many things after you received the letter, and you have felt that it would be a good idea to talk to Mr. Smith first by yourself and later introduce Mr. Smith to your section chief. Some of the areas that you are interested in knowing more about are as follows:

(1) One way or another, you wish to carry the conversation to such an extent that it might be possible for Osaka Industry to have an agreement to do business through licensing or franchising with New York and Company. At the same time, if possible, you would like to carry and advance your conversation, so that New York and Company may tell the know-how of Super X. These are the top priority strategies for getting Super X into the Japanese market and using the trade name Super X.

(2) There may be a possibility in which, in case licensing or franchizing may not be agreeable, a joint venture may be the way to go.

(3) It has been ten years since you started working for Osaka Industry and you know employees of the company were saying that you might be up for a possible promotion to assistant to section chief. In fact, your section chief implicitly mentioned such a possibility.

(4) If the expected negotiations between Osaka Industry and New York and Company go well, you know that you will be able to enhance your educational background of the MIM degree and it appears that the company's expectations from you are tremendous.

As mentioned above, you hope that the business conversation with Smith will advance the long term strategy of Osaka Industry and develop into future business. You are also aware that Tokyo Industry would not miss an opportunity like this for the world. Therefore, you just cannot afford to lose the opportunity.

II. Role Playing and Interactions

Nakagawa
Doozo otooshi kudasai. (Please let him in.)

Smith
Oh, Mr. Nakagawa. Nice to meet you.

Nakagawa
Nice to meet you.

Smith
My name's Smith, John Smith.

Nakagawa
Oh, how do you do, Mr. Smith?

Smith
I'm a little tired, but doing OK. Here is a little gift from me and Mr. Yamaguchi.

Question 1

Question 2

Nakagawa
Oh, thank you very much. Oh, that's very polite of you.

Smith
Oh, thank you. Thank you.

Nakagawa
Thank you very much. Very kind of you. By the way, my name is Nakagawa, my card.

Smith
OK. I have one too.

Nakagawa
Oh, really?

Smith
Maybe we could use these in the future.

Nakagawa
Uh, uh, oh, Mr. Smith. By the way, I've studied your company and your products because you sent me this booklet, uh, weeks ago, and I'm very interested in your company and products because my company's history and your company is very similar and the philosophy of the president is also very similar to ours.

Question 3

Smith
You know Mr. Yamaguchi says the same thing.

Question 4

Question 5

Nakagawa
Oh, really. Especially I'm interested in your product Super X. The product itself has a very good ah, ah, character, and that lasts about 10 years.

Smith
Yes. It's recently developed paint. Our research and development sector has spent a lot of time in developing this paint and we believe our company is maybe 3 to 4 years ahead of any other company in developing this Super X paint. Uh, we feel very confident about it. It lasts 10 years and can be used for all sorts of industrial uses. And that's one of my main reasons for coming to Japan -- to find out if there is a market for it in Japan. Do you believe there is a market?

Question 6

Question 7

Nakagawa
Yes. Ah, according to your booklet, we are very surprised to see that in your sales volume in your country. Your company's sales volume increased so rapidly, so we are very interested in the product itself and your marketing strategy and if we introduce your Super X, we also increase the sales volume in Japanese market.

Question 8

Question 9

Smith
The main reason for our sales increase has been because of the Super X paint. Uh and I'm in town to find out -- I'm in Japan to find out first, if there is a market, and you told me there is; so our company is interested in setting up a joint venture with a major paint company in Japan.

Question 10

Nakagawa
Could you tell me the reason why you choose a joint venture?

Question 11

Question 12

Smith
We believe it's probably beneficial to both companies, both the Japanese company and our American company. We believe we need a Japanese paint firm because the distribution network in Japan is very complicated. Ah, we believe our product is the best and we've proven it by using it on paints in cars and industrial machinery. Now, I'm here as of my company to find out what company would best benefit our objectives.

Nakagawa
In terms of selling in the market, maybe as you know that, my company is now increasing the market share. On the contrary, the Tokyo Sangyo, our competitor is now decreasing its market share.

Smith
Why is that?

Question 13

Question 14

Nakagawa
Because there is a saying in Japan ohyakudomairi. We must go to the client about ten time, ah, 100 times to get (the job). So, I think that depends on our salesman's devotion to selling.

Question 15

Smith
This is very similar to our company. But I must tell you the truth. My board of directors seem to prefer your competition, but I prefer to do business with Osaka because of Mr. Yamaguchi. See, I trust him; we have done business in the past and we have never had any trouble. So perhaps you could give me some reasons why (you know) you could help me convince my bosses why we should go to Osaka. We know that you've increased your sales through hard work. But, what else can I use to help persuade them in their decision?

Question 16

Question 17

Question 18

Question 19

Question 20

Nakagawa
OK. We have, of course that is related to the marketing, but, we have very strong distribution connections throughout Japan. So, if you produce or import some goods, we can distribute the goods soon, compared to the other companies. We can send the product sooner than others. And, we think selling the product in Japan, we must think another point -- that is time, because we are now finding some difficulties in making joint ventures. One of the reasons is we don't have so much time because most of the competitor is now talking to develop the new product and according to the survey, that the other competitor will release the new product such as Super X within two years. So within two years, we must establish our market share of the Super X. In that sense, a joint venture would take a longer time than licensing, so we prefer licensing and we could not make the joint venture for one item.

Question 21

Question 22

Smith
Only one item.

Question 23

Question 24, 25

Nakagawa
Only one item. I mean for only Super X, we don't make the joint venture because we have a lot of various kinds of paint in Japanese market.

Smith
Right, but this is the best and right now we know that within the next two years, it's not -- we are the only one that has it. Our company is looking for a Japanese firm to be able to share immediately.

Question 26

Question 27

Nakagawa
OK. I understand your company's situation very well. So I will inform your company's will my boss. How about some meeting with our bosses?

Question 28-a, 28-b

Question 29

Smith
I think it would be beneficial to both of us, Mr. Nakagawa.

Nakagawa
OK. By the way, do you have time tonight?

Smith
Oh, I'd love to. I'm here another day and I need someone to show me the town.

Question 30

Nakagawa
OK. I'll take you to the Japanese restaurant after business. Is that OK?

Smith
I'd love it. Thank you, Mr. Nakagawa. I'll talk to you again.

Nakagawa
OK. See you.

Smith
Bye bye

Nakagawa
Bye bye

III. A List of Questions

1. What did you think of the manners of Mr. Smith, who gave you the gift by sitting on the chair, whereas, you stood up and received it?

2. What did you think of his manners of exchanging the business cards?

3. What did you think when he said "by the way?" You nodded.

4. Are you trying to build a connection between you and Nakagawa, using the name Yamaguchi as a linkage to get closer to Nakagawa?

5. Now he repeated the name Yamaguchi twice. What do you think of the relationship between your company and Yamaguchi?

6. You moved and pulled your chair. Are you trying to get into more details about Super X? You also moved and leaned forward to emphacize the product.

7. You were looking at the booklet. Were you paying attention to him?

8. Why did you move your body?

9. You were opening and closing your right hand. Why?

10. Smith is talking to you, moving his hands. What did you think of it?

11. You are moving your body and showing reactions. Why?

12. You are constantly swaying back and forth. Is this because your company is interested in having a joint jenture with a Japanese company?

13. The time span between Nakagawa's statement and your statement is very short. Why?

14. What did you think of his reactions.

15. When Nakagawa said the term <u>ohyakudomairi</u>, did you really understand what was involved with the term?

16. Again, you say or use Yamaguchi. Why is that?

17. At the same time, you are moving back and forth, opening and closing your hand. Why?

18. When you heard of Yamaguchi, what did you think of it?

19. You raised your glasses. What were you thinking about?

20. You moved your body. What were you thinking about?

21. Why were you moving your hands?

22. You were moving your body. At the same time, you swallowed saliva. Why?

23. You started moving. What were your reactions when you heard this?

24. You put your hand under the chin and seem stiff. Why?

25. What's this <u>one</u>: "for only one?"

26. You are really coming down, pinpointing your partner, putting your right hand up and down. Why?

27. What did you think of this?

28. You moved a little back right here. What's the meaning?

a & b
29. Now, when you were about ready to stand up right here and then going up and then you decided not to move. Why?

30. Now as soon as he said that you showed your immediate reactions -- happy feelings, smiling.

IV. Interviews with the Role Players

Hello, my name is Kumayama. Today, we are going to find out some of the implications, underlying meanings as well as the attribution of the business conversations that took place in the past. I'll be asking questions to the informants who played the role by looking at the video tape. The person on my left is Mr. Shimura, who played the role of Mr. Nakagawa and the person on my right is Mr. Parker, who played the role of Mr. Smith, who went to Japan to acquire information about the possibility of doing business with Osaka Industry in the role play. (I'll be asking the Japanese participants in Japanese and later, the same questions will be repeated in English. Shall we take a look at it?) (The Japanese sentences are not transcribed in this area.)

Question 1

While you were standing right here, you received a gift from Mr. Parker, who gave the gift to you and you were holding with two hands, whereas he was sitting and then giving you the gift. What did you think of it?

Shimura
In the case of between the Japanese businessman, I('d) think he is a very rude person, but as he is a foreigner, I think he is not so rude.

Kumayama
So you think that it was permissive for him to do (so).

Shimura
Yes.

Kumayama
OK.

Question 2

While you were standing up over there, you received his business card, where as he was sitting down and was handing his business card to you. What did you think of it?

Shimura
Just the case of receiving gift, I think he is a foreigner, so I don't think he is not so (rude).

Kumayama
You thought it was permissive for him to do.

Shimura
Yes, permissive.

Kumayama
Thank you.

Question 3

Now when he heard (he) said, "By the way ....." What did you think of it?

Parker
I thought it was just a simple way of introducing a subject matter -- no profound meaning.

Question 4

Now, this is the second time for me to hear the word "Mr. Yamaguchi", are you trying to build a connection between you and Mr. Nakagawa using the name "Mr. Yamaguchi" as a linkage to get acquainted with him or get closer to Mr. Nakagawa?

Parker
I was using it, definitely, for a linkage; because from my knowledge of Japanese culture -- and from my own security -- it would be better to deal with a person that I knew -- or we had a mutual friend. I felt it was very important and I had reinforced it a few times.

Kumayama
I see, thank you.

Question 5

As you notice, right here, Mr. Parker or Mr. Smith, used the "Nakagawa" (Yamaguchi) twice. Now, what do you think of the relationship that you have between your company and Mr. Yamaguchi in relation to his .....

Shimura
Yes, when he used the name of "Mr. Nakagawa" (Yamaguchi) and he ---

Kumayama
You mean "Yamaguchi."

Shimura
Uh, sorry, "Yamaguchi" and he gave me a gift, so I think he had been studying Japanese customs, (well).

Kumayama
Or business of doing ...

Shimura
Uh, huh doing business in Japan.

Kumayama
I see; so you felt that was (a) valuable, important for him to refer to Mr. Yamaguchi.

Shimura
Yes, that's right.

Kumayama
I see.

Question 6

You pull(ed) your chair forward. What's the reason behind it?

Parker
Oh, I knew this was why we were here, to talk about the Super X paint.

Kumayama
Um hun.

Parker
And I realized that there was some difficulty in communications, so I wanted to make sure I could here everything he said and just to listen carefully. That was my point there.

Question 7

While you were listening to him, simultaneously, you were looking at the pages of the pamphlet. Were you really paying attention to him at the same time, you were wat, uh, looking at the pamphlet.

Shimura
Oh, at that time I listened to him very carefully because the contents of his words is very important/

Kumayama
Um hun, I see.

Question 8
Now, when you were talking about that, your body moved slightly. What's the meaning or what are the results of your moving?

Shimura
At that time, I was considering about --- I must indicate our interest to Mr. Smith, so I want to speak more gently.

Kumayama
Were you trying to also convince or stimulate his interest at the same time?

Shimura
Yes, that's right.

Kumayama
OK.

Question 9

Mr. Parker, you were leaning forward and emphasizing and using your hand signal, right hand signal, opening and closing the right hand. Why?

Parker
That's just the way I make a point.

Kumayama
I see.

Parker
I mean I had reached another thing that I wanted to communicate, and it was my way of making attention, you know, bring attention to a certain point I'm making.

Question 10

While you were talking to Mr. Parker, he was using some hand signals and leaned forward. What did you think of it?

Shimura
Oh, he is coming down .....

Kumayama
Coming down to the point, so you have to get ready.

Question 11

You moved a little bit. What was the meaning behind your movement?

Shimura
Uh, he is becoming a little bit aggressive, so I must pull myself up to his words.

Kumayama
Yes, so you have to find out your own tactic or strategy. At the same time you realize(d) the conversation came to almost the bottom line.

Shimura
Uh, bottom line.

Kumayama
I see.

Question 12

Mr. Parker, you were again swaying back and forth, at the same time, you used your hand signal at the same time. I noticed that you pulled your pants with your left hand. What were you trying to do?

Parker
The hand on the leg, I can't think of any reason for it. But each time I made my point, then I would sit back and, I knew that it was his turn to talk, so I would sit back and this is my way of comprehending.

Kumayama
I see.

Question 13

Now, as soon as he said that, your response was so quick, almost it was very spontaneous and you said, "Why is it?" The time-span between his speech and your speech is very very short. Why?

Parker
Uh, I felt possibly by interjecting he would just give me the answer. My reason for being in Japan was to obtain as much information on his company, the competition and the paint industry in Japan; and since he was talking, I just tried to redirect the conversation.

Question 14

The life(time)-span between your speech and his speech was very very short. What do you think about his reactions?

Shimura
I think I must indicate our intention to the product and I must indicate, "We are considering your company and also the competitor."

Kumayama
Tokyo Sangyo

Shimura
Tokyo Sangyo, right. So, I think his reaction is rather great, but that is, I

Kumayama
You expect it.

Shimura
I expect it.

Kumayama
Uh, huh.

Shimura
The reaction.

Kumayama
I see.

Question 15

Now, when he said, "Ohyakudomairi," and explained the term that he has to go to his clients a hundred times, now does that term really mean anything to you?

Parker
Well, it kinda re-emphasized that their company, Osaka, had grown so quickly in the last few years. Normally, I would just say most companies would take that stance and believe, (you know) aggressiveness. But it showed on his company's records. So it was confidence booster.

Kumayama
So in other words, what your the impression that you received from him when he said, "Ohyakudomairi," you thought that he was taking care of clients very well, or ...?

Parker
It further enhanced my belief that they were the right company because of the mutual client who (you know) never did wrong for me, and now (you know) the aggressive nature of the company.

Kumayama
Hu humn, I see.

Question 16

Again, you are emphasizing the name Mr. Yamaguchi. Again, are you trying to use the same strategy as you did before?

Parker
Uh, yes. And from just the words he had said immediately before, I had more confidence, and I felt that was the basic building block between our two companies.

Question 17

Um hum. At the same time, you were moving back and forth using or opening and closing your hands. Is that the part of emphasis?

Parker
Uh. It was emphasis, but I was at that point speaking slower, and, uh, I don't know, I just thought it might aid my communication.

Kumayama
Uh humh.

Question 18

Now, again, Mr. Parker was using the name "Yamaguchi" at that time, what did you feel or what did you think of it?

Shimura
Uh, Mr. Yamaguchi is a very appropriate person as a go-between, but in this stage, he doesn't have any role, so I think if he speak(s) of -- or talk(s) about Mr. Yamaguchi, I don't think that is -- he is out of our business.

Kumayama
In other words, Mr. Yamaguchi, the name itself was good enough to cross the buidge between you and Mr. Smith ...

Shimura
Yes, at this stage ...

Kumayama
But at this stage, right here, the name Yamaguchi is not going to play a major role because his company or he himself is not going to be involved with the business that is going on between you and his company.

Shimura
Especially for this project.

Kumayama
I see.

Question 19

I realized that your glasses are hanging down a little, so you try to fix them. Is there any significant meaning?

Shimura
Yes. The contents of the conversation became important, so I must pull myself ...

Kumayama
Up straight and get ready ...

Shimura
and get ready to ... these words

Kumayama
to deal with him. I see.

Question 20

As soon as Mr. Parker finished his question, you moved a little bit forward. What's the significant meaning behind it when you move(d) your body?

Shimura
His question was, ah, ah, stick to the point ... so...

Kumayama
Yes, stick to the point...

Shimura
I feel a little bit embarrassed and

Kumayama
You were a little stunned.

Shimura
Stunned, yeah. And I must search for good answers or reasons.

Kumayama
I see. Uh humh, thank you.

Question 21

I noticed that you moved your left hand a little bit. What's the meaning behind it?

Shimura
I felt a little bit difficulty in speaking in English.

Kumayama
English, I see.

Question 22

I found it a little, your speech slowed down. What is the reason behind it?

Shimura
The reason was the difficulty speaking English, that's all. But at that time, I want to persuade him (of) difficulty of the joint venture, because of the time, so I think I must persuade him, so ...

Kumayama
You felt it was difficult to persuade him.

Shimura
Yeah, yeah, very difficult, speaking English.

Question 23

What's the reaction about that, when you pulled yourself up?

Parker
Well, I had just given him a tough question and now this was his tough question to me.

Kumayama
Yes.

Parker
I was taking it all in and already I was trying to think of an answer before his question was finished, about the joint venture, when I knew he'd be going for the licensing or franchising.

Kumayama
Yeah.

Parker
So, uh, he handled my question nicely and now it was my turn to give him an honorable reply.

Question 24

When you heard it and you pulled up there, did you feel while he was talking to you that ... did you feel or did you have a notion in that he was trying to discourage you from going or your company going into a joint venture or (things) like that?

Parker
I thought it was just a ploy, just to see whether I would bend or not. That's how I felt and I was really concentrating on giving him a good answer.

Kumayama
I see.

Question 25

What's this one: "for only one?"

Parker
Well, there it was. He brought the question to a point, ...

Kumayama
Right.

Parker
And I wanted to stop it right there and clarify on issue. And that'll be, (you know) he was saying "for one product." I knew Super X was the most important thing; ...

Kumayama
Right.

Parker
but, as you'll see, I stopped and kind of changed the direction, to get him away from the direct, (you know) away from the joint venture. That's what I was there to ...

Kumayama
So you were trying to discourage him from ...

Parker
Absolutely.

Kumayama
OK.

Question 26

You were really coming down strongly, using one arm, I mean finger like this, pointing out, leaning forward. Why is that?

Parker
First, I guess, my aggressive nature; but it was for a joint venture.

Kumayama
You didn't want him to ...

Parker
I didn't want him to keep talking. I wanted him to stop there, (you know). So, I could finish the end.

Kumayama
Right.

Parker
So tried to stop him right there; because if he kept talking about the licensing, the venture would get stuck.

Question 27

While he was talking, he started moving forward, at the same time, he was using his hand signal. What did you think of it?

Shimura
Yes, this is a main imporant point.

Kumayama
Issue

Shimura
Yeah, issue, so I think he also wanted to persuade me.

Kumayama
Right.

Shimura
and he insisted on the joint venture ...

Kumayama
joint venture, correct.

Shimura
But at that time, I could not compromise with him on the issue, so I must insist him on the licensing, so I think his attitude is not ..

Kumayama
rude

Shimura
rude at all.

Kumayama
I see.

Shimura
This is a business conversation.

Question 28

You moved a little back right here. What's the meaning?

Shimura
Because the time was limited, so I must change the contents of our conversation, and I want to close our conversation.

Kumayama
I see. I see.

Question 28-b

When you said "how about?" you opened up your fingers, I mean, both hands. Do you have any significant meanings behind it?

Shimura
Yeah. As I told before, I want to change the subject, so that's the indication.

Kumayama
I see.

Question 29

Now, when you were about ready to stand up right here and then going up and then you decided not to move. Why?

Shimura
A sign of respect. I thought the conversation had ended, but then he said --- and I sat back down to listen what he had to say.

Kumayama
Uh hum. OK.

Question 30

Now as soon as he said that you showed your immediate reactions: happy feelings, smiling.

Parker
Uh ... the formal part of the business was over ...

Kumayama
Right.

Parker
And, uh, I - - personally, I do a lot of business outside of the social struc (you know) the formal structure. And by going to dinner with Mr. Nakagawa, I would be able to get to know him more, and on a better basis ...

Kumayama
I see.

Parker
without, (you know) just the challenging questions.

Kumayama
I see.

V. Summary of the Interviews with the Role Players

Based on the interviews with the role players, Mr. Shimura, who played the role of Nakagawa and Mr. Parker, who played the role of Smith, the following categories are under discussion:

1. Etiquette
2. Introduction
3. Non-verbal Communication Behaviors
4. Strategy

1. Etiquette

Normally when Japanese business people exchange their business cards, they put their business cards in such a way that the receiver can read the business card without turning it to the right way. At the same time, when they hand their business cards or gifts, a courteous way is to hand the card or gift with two hands rather than with one hand. Also, the Japanese business people stand up to receive a business card or gift to show courtesy.

As Mr. Shimura explains, it would be rude for another Japanese to receive the card or gift with one hand, sitting down. Furthermore, he states that because Mr. Parker is a foreigner, it is permissible to hand his business card and give the gift to Mr. Shimura while sitting down. Although foreign business people can get by with it, it would be ideal if they would show courtesy by using two hands and stand up to give or to receive the card or gift.

2. Introduction

It is always very important for foreign business people to be referred by another person when doing business with the Japanese. Mentioning about references is commonly practiced,

not only by Japanese business people, but also used by the Japanese as a whole for different purposes. For example, some influential people are introduced to a person by his colleages or friends or relatives for help in finding employment.

Generally speaking, among the Japanese, a person does not trust a stranger unless the stranger is introduced by someone he knows. By being introduced by the person, he is free from suspicion or at least given credit as being trustworthy. This is because the person who introduced him is very well trusted and is often held liable for any misconduct of the person he introduces. At the same time, the introduction gives access to get aquainted with another Japanese person.

However, in question 16, Mr. Parker was referring to Yamaguchi for the third time. His reason for using the name in the beginning was that "I had more confidence, and I felt that was the basic building block between our two companies." In response to Mr. Parker using Yamaguchi three times, Mr. Shimura's response was that "Mr. Yamaguchi is a very appropriate person as a go-between, but in this stage, he does not have any role ..."

The statement indicates that Yamaguchi did play its own role in the introduction, but when it comes to business between New York and Company and Osaka Industry, the name Yamaguchi does not extend its influence that for.

3. Non-Verbal Communication Behaviors

Many non-verbal communication behaviors demonstrated by

Mr. Parker are noticeable and easily comprehendable. For example, in question 6, Mr. Parker pulled his chair, showing his immediate reactions and his response to the question of why he did that was, "Oh, I knew this was why we were here, to talk about the Super X paint."

Furthermore, in question 26, the non-verbal communication behavior clearly shows a strong emphasis: Mr. Parker was really coming down strongly, using finger, pointing, leaning forward. In response, Mr. Parker says, "First, I guess, my aggressive nature; but it was for a joint venture. I didn't want him to keep talking. I wanted him to stop there, (you know). So I could finish the end." In question 17, Parker's moving back and forth using or opening and closing his hands indicates trying to facilitate his communication with Shimura. In question 23, Parker pulled himself up. This indicates that Parker showed respect to Shimura, who gave a satisfactory answer. In question 30, Parker showed happy feelings on his face, relaxing and indicating the formal conversation was over.

On the other hand, the non-verbal communication behaviors demonstrated by Shimura seem a little more subtle and reserved. In many cases these behaviors are difficult to point out and interpret.

For example, in question 8, Shimura moved his body slightly which had to do with indicating his company's interest of doing business and his trying to convince Parker. In question 19, Shimura raised his glasses up and at that time, he was

getting ready to communicate more effectively, as the contents of the conversation became important. In question 29, Shimura was about ready to get up and then he decided not to get up. To him, changing his mind was an indication of showing his respect to Parker and he sat back to listen to Parker.

4. Strategy

In question 24, when Shimura mentioned about the time-span which seemed a concern for not wanting to have a joint venture, trying to discourage Parker from having a joint venture, Parker felt that Shimura's statement was a ploy to find out whether or not Parker would bend. Shimura was trying to use the same kind of non-verbal behaviors as was used in question 26. Parker has indicated that he did not want Shimura to keep talking. He wanted Shimura to stop talking because Shimura was wishing to do business through licensing.

In conclusion of this research project, although Mr. Parker and Mr. Shimura were talking to each other in English, they brought their cultures with them and cultural traits, value systems of their cultures and non-verbal communication behaviors. Both role players did follow the guideline of business negotiations in that Mr. Parker was advised to pursue a joint venture, whereas Mr. Shimura was advised to do business through licensing or franchising.

Because international business negotiations, merging different cultures together with the satisfaction of both parties, can be very complex; in order to have successful business ventures that are mutually agreeable, it is very important to understand cultural traits and business practices of both Americans and the Japanese. Protocol such as manners of exchanging business cards, bringing gifts to the Japanese, introduction of business people and understanding non-verbal communication behaviors and the like will definitely enhance the further understanding of their cultural background.

As being the preliminary stage of the business negotiations, whether the groups of New York and Company and Osaka Industry will come up with an agreement to do business in the form of a joint venture, franchising, or licensing, remains to be seen. The author hopes that the research project will help a great deal in understanding business practices for mutually agreeable decisions to be made by both parties.